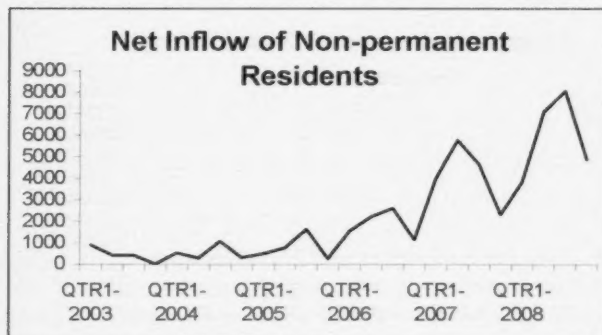


### Alberta Population

#### *Still a desirable destination...*

On a year-over-year basis, the Alberta population grew 2.6% in the fourth quarter of 2008, greatly outpacing the Canadian average of 1.2%. Net interprovincial migration totaled 6,198, far more than the next biggest provincial gain, BC's 1,453. Net international migration also remained strong, while the number of non-permanent residents fell sharply.



### Unemployment

#### *Up, up and away...*

The number of EI beneficiaries in Alberta continued to climb in January, rising 10.5% and greatly outpacing the Canadian average increase of 4.4%. Among the provinces, Alberta continues to have the lowest proportion of unemployed individuals receiving EI. Only 25.0% of Alberta's unemployed were collecting regular benefits in January.

### Agriculture Sector

#### *Mixed results for farmers...*

Agriculture data was mixed in February. While year-over-year wheat delivery volumes were up 27.3%, canola deliveries fell 3.9%. Also down were most other grains: oats (-53.7%), barley (-25.7%) and rye (-87.9%) all experienced significant declines. Bucking the trend was flaxseed, which rose 52.1%, albeit from a very low initial level. The farm product price index, updated for January, showed a similar picture. Crop prices declined 22.8% year-over-year, but due to a 14.2% increase in livestock prices, the overall index only fell 6.0%.

### Canadian Dollar (US\$/C\$)

|                |       |
|----------------|-------|
| March 27, 2009 | 80.70 |
| March 20, 2009 | 80.83 |
| 2008-09 YTD    | 89.67 |

### WTI Oil US\$/bbl

|                |          |
|----------------|----------|
| March 26, 2009 | \$ 54.34 |
| March 19, 2009 | \$ 51.61 |
| 2008-09 YTD    | \$ 87.05 |

### Nymex Natural Gas C\$/MMBtu \*

|                     |         |
|---------------------|---------|
| Near-month Contract |         |
| March 27, 2009      | \$ 4.65 |
| March 20, 2009      | \$ 5.30 |

\* Estimate based on Nymex Futures Market Price

### Leading Indicators

#### *Expectations weaken further...*

Last month Statistics Canada's composite index of leading indicators continued to decline, sliding an additional 1.1%. With the exception of the money supply, which increased 1.8%, all components of the index fell. The housing index and new orders of durable goods were of greatest significance, dropping 8.0% and 4.8% respectively.

### North American Markets

#### *Markets rally...*

The TSX rallied dramatically throughout the week, on Thursday topping 9,000 for the first time in over a month. The exchange received a boost from subsiding fears about the stability of the financial sector and positive energy sector news. Suncor and Petro-Canada announced a proposed merger on Monday, sending both stocks climbing. Oil has also closed above US\$50 all week, held up by rising demand expectations even in the face of an EIA report showing that US crude oil stocks are now at their highest level in at least 15 years.

Strong domestic data propelled US equity markets into positive territory. Confounding expectations of a 2.5% fall, durable goods orders rose 3.4% in February. In addition, existing home sales increased 5.1% in February. Finally, the markets responded positively to newly-released details about the Obama administration's plan to remove up to \$1 trillion in illiquid real-estate assets from bank balance sheets through the use of private investors.

| Overall Economy                                     |        |        |          | (year-over-year % change unless otherwise noted) |       |          |          |       |       |
|-----------------------------------------------------|--------|--------|----------|--------------------------------------------------|-------|----------|----------|-------|-------|
|                                                     | 2007   | 2008   | 2009YTD* | Sept                                             | Oct   | Nov      | Dec      | Jan   | Feb   |
| Real GDP (in 2002 \$billions)                       | 187.5  | --     | --       | --                                               | --    | --       | --       | --    | --    |
| % change                                            | 3.1    | --     | --       | --                                               | --    | --       | --       | --    | --    |
| Nominal GDP (\$ billions)                           | 258.9  | --     | --       | --                                               | --    | --       | --       | --    | --    |
| % change                                            | 8.1    | --     | --       | --                                               | --    | --       | --       | --    | --    |
| Population <sup>1</sup> (000's) (level)             | 3,511  | 3,585  | 3,632    | --                                               | 3,611 | --       | --       | 3,632 | --    |
| % change                                            | 2.6    | 2.1    | 2.4      | --                                               | 2.4   | --       | --       | 2.6   | --    |
| Net Interprovincial Migration <sup>1</sup> (level)  | 33,809 | 10,010 | 11,125   | --                                               | 4,927 | --       | --       | 6,198 | --    |
| Net International Migration <sup>1</sup> (level)    | 16,136 | 19,283 | 9,004    | --                                               | 4,907 | --       | --       | 4,097 | --    |
| Net Non-permanent Residents <sup>1</sup> (level)    | 13,539 | 17,890 | 12,931   | --                                               | 8,061 | --       | --       | 4,870 | --    |
| <b>Labour Market</b>                                |        |        |          |                                                  |       |          |          |       |       |
| Employment (000's)                                  | 1,959  | 2,013  | 2,014    | 2,022                                            | 2,035 | 2,032    | 2,023    | 2,026 | 2,002 |
| % change                                            | 4.7    | 2.8    | 0.7      | 2.3                                              | 3.2   | 3.2      | 1.5      | 1.2   | 0.2   |
| Unemployment Rate (%)                               | 3.5    | 3.6    | 4.9      | 3.8                                              | 3.7   | 3.5      | 4.2      | 4.4   | 5.4   |
| Average Hourly Wage Rate                            | 6.0    | 5.7    | 5.3      | 5.5                                              | 6.2   | 5.0      | 4.1      | 6.2   | 4.5   |
| Average Weekly Earnings                             | 4.5    | 4.8    | --       | 5.8                                              | 3.9   | 5.8      | 4.0      | --    | --    |
| Labour Income <sup>2</sup>                          | 11.4   | 8.6    | --       | 8.2                                              | --    | --       | --       | --    | --    |
| <b>Price Indices</b>                                |        |        |          |                                                  |       |          |          |       |       |
| Consumer Price Index                                | 5.0    | 3.1    | 1.7      | 2.8                                              | 2.4   | 2.1      | 1.9      | 1.2   | 2.1   |
| Excluding food and energy                           | 4.9    | 1.9    | 1.7      | 1.1                                              | 1.3   | 1.8      | 1.7      | 1.5   | 2.0   |
| Non-Res. Const. Cost Index <sup>3</sup> (quarterly) | 17.3   | 13.2   | --       | --                                               | --    | 8.8 (Q4) | --       | --    | --    |
| Farm Product Price Index                            | 14.3   | 11.1   | -6.0     | -0.6                                             | 1.3   | -0.9     | -4.7     | -6.0  | --    |
| Crops                                               | 41.4   | 26.3   | -22.8    | -4.8                                             | -9.2  | -14.9    | -20.7    | -22.8 | --    |
| Livestock                                           | 0.7    | 2.1    | 14.2     | 9.9                                              | 14.5  | 17.7     | 13.5     | 14.2  | --    |
| <b>Household Sector</b>                             |        |        |          |                                                  |       |          |          |       |       |
| Housing Starts (SAAR, 000's)                        | 48.1   | 29.0   | 15.2     | 24.1                                             | 25.2  | 20.5     | 20.0     | 17.2  | 13.1  |
| % change                                            | -2.1   | -39.7  | -56.1    | -57.2                                            | -46.8 | -52.7    | -48.3    | -51.5 | -60.9 |
| New Housing Price Index                             | 22.5   | 0.7    | -8.4     | -3.4                                             | -4.5  | -5.1     | -6.1     | -8.4  | --    |
| Edmonton                                            | 32.1   | 1.0    | -10.4    | -5.8                                             | -7.7  | -7.9     | -8.2     | -10.4 | --    |
| Calgary                                             | 16.2   | 0.6    | -6.5     | -1.2                                             | -1.6  | -2.5     | -4.3     | -6.5  | --    |
| MLS Average Resale Prices                           | 24.3   | -1.4   | -9.6     | -5.0                                             | -3.7  | -4.2     | -7.4     | -10.0 | -9.2  |
| Edmonton                                            | 34.3   | -2.0   | -6.6     | -5.6                                             | -8.6  | -2.0     | -5.7     | -4.5  | -8.7  |
| Calgary                                             | 18.7   | -2.9   | -11.1    | -6.0                                             | -5.6  | -6.0     | -9.4     | -11.4 | -10.8 |
| Retail Sales                                        | 9.3    | -0.2   | -6.3     | 2.1                                              | 3.1   | -5.9     | -7.8     | -6.3  | --    |
| New Motor Vehicle Sales                             | 3.3    | -7.2   | -22.2    | -1.9                                             | -2.6  | -11.6    | -23.6    | -22.2 | --    |
| <b>Business Sector</b>                              |        |        |          |                                                  |       |          |          |       |       |
| Public and Private Investment <sup>4</sup>          | 9.1    | 3.6    | -14.0    | --                                               | --    | --       | --       | --    | --    |
| Mining and oil and gas <sup>4</sup>                 | 0.3    | -1.4   | -28.2    | --                                               | --    | --       | --       | --    | --    |
| Rigs Drilling                                       | -35.2  | -2.1   | -24.4    | 6.9                                              | 18.3  | 3.5      | -10.2    | -24.4 | -43.9 |
| Goods Exports (customs based)                       | 5.3    | 33.2   | -27.3    | 50.9                                             | 43.5  | 16.4     | -7.9     | -27.3 | --    |
| Energy                                              | 4.4    | 40.9   | -31.5    | 63.7                                             | 50.8  | 18.0     | -7.9     | -31.5 | --    |
| Agriculture                                         | 9.8    | 28.6   | -3.4     | 24.3                                             | 31.5  | 35.8     | 16.8     | -3.4  | --    |
| Total Farm Cash Receipts (quarterly)                | 11.9   | 15.2   | --       | 18.4 (Q3)                                        | --    | --       | 8.5 (Q4) | --    | --    |
| Manufacturing Shipments                             | 1.9    | 6.9    | -13.3    | 20.6                                             | 7.7   | -4.8     | -8.4     | -13.3 | --    |
| Wholesale Trade                                     | 4.5    | 10.9   | 1.8      | 21.4                                             | 14.8  | 7.4      | 13.5     | 1.8   | --    |
| Building Permits                                    | 13.4   | -16.5  | -51.6    | -12.0                                            | -43.8 | -14.7    | -29.1    | -51.6 | --    |
| Residential                                         | 10.7   | -31.5  | -66.1    | -37.2                                            | -35.2 | -42.2    | -37.2    | -66.1 | --    |
| Non-residential                                     | 17.1   | 3.7    | -39.3    | 28.3                                             | -50.6 | 24.5     | -21.4    | -39.3 | --    |

## Alberta Finance and Enterprise

\* YTD - year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

<sup>1</sup> Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The January population estimate is also the 2009 year-to-date value.

<sup>2</sup> Total income earning in Alberta including wages and salaries, and supplementary income.

<sup>3</sup> Average of Calgary and Edmonton.

<sup>4</sup> 2009 based on initial investment intentions, 2008 preliminary actuals, and 2007 actuals

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

# CURRENT ECONOMIC INDICATORS, BY PROVINCE

|                                                    | Canada     | Nfld.   | P.E.I.  | N.S.    | N.B.    | Que.      | Ont.       | Man.      | Sask.     | Alta.     | B.C.      |
|----------------------------------------------------|------------|---------|---------|---------|---------|-----------|------------|-----------|-----------|-----------|-----------|
| <b>Conference Board Forecast (Winter 2009)</b>     |            |         |         |         |         |           |            |           |           |           |           |
| Real GDP Growth                                    |            |         |         |         |         |           |            |           |           |           |           |
| 2007 (actuals, Statistics Canada)                  | 2.7%       | 9.1%    | 2.4%    | 1.7%    | 1.7%    | 2.7%      | 2.3%       | 3.3%      | 2.5%      | 3.1%      | 3.0%      |
| 2008                                               | 0.7%       | 1.0%    | 1.2%    | 1.6%    | 1.1%    | 1.0%      | 0.0%       | 2.7%      | 5.4%      | 0.6%      | 1.0%      |
| 2009                                               | -0.5%      | -2.6%   | 0.6%    | -0.3%   | 0.2%    | -0.4%     | -1.2%      | 1.0%      | 1.6%      | -0.5%     | -0.1%     |
| <b>Population (As of January 1, 2009)</b>          |            |         |         |         |         |           |            |           |           |           |           |
| Population                                         | 33,504,680 | 508,990 | 140,402 | 939,531 | 748,319 | 7,782,561 | 12,986,857 | 1,213,815 | 1,023,810 | 3,632,483 | 4,419,974 |
| Annual Growth Rate <sup>a</sup>                    | 1.21%      | 0.24%   | 1.25%   | 0.25%   | 0.23%   | 0.86%     | 1.05%      | 1.11%     | 1.50%     | 2.58%     | 1.70%     |
| <b>Net Interprovincial Migration</b>               |            |         |         |         |         |           |            |           |           |           |           |
| 2008 Census Year (July 1, 2007 to June 30, 2008)   |            | 1,299   | 42      | -117    | -325    | -12,399   | -16,522    | -503      | 8,067     | 10,010    | 11,458    |
| 4th Quarter (October 1, 2008 to December 31, 2008) |            | 292     | -503    | 108     | 264     | -2,139    | -6,517     | 249       | 949       | 6,198     | 1,453     |
| <b>Employment</b>                                  |            |         |         |         |         |           |            |           |           |           |           |
| Level Change (000s) <sup>b</sup>                   | -232.3     | -7.6    | -1.5    | 8.8     | -2.4    | -62.6     | -143.4     | 5.7       | 14.5      | 4.4       | -48.2     |
| Percent Change <sup>b</sup>                        | -1.4%      | -3.7%   | -2.3%   | 2.0%    | -0.7%   | -1.6%     | -2.2%      | 1.0%      | 2.9%      | 0.2%      | -2.1%     |
| Unemployment Rate, 2009 avg                        | 7.5        | 14.7    | 12.1    | 8.8     | 8.8     | 7.8       | 8.4        | 4.7       | 4.4       | 4.9       | 6.4       |
| Participation Rate, 2009 avg                       | 67.4       | 59.1    | 67.5    | 64.8    | 64.9    | 65.2      | 67.7       | 69.6      | 70.5      | 74.8      | 65.8      |
| <b>Average Weekly Earnings (SA)</b>                |            |         |         |         |         |           |            |           |           |           |           |
| December 2008                                      | 801.92     | 752.98  | 660.85  | 697.05  | 750.22  | 757.41    | 832.88     | 735.22    | 773.63    | 888.97    | 773.25    |
| % Increase <sup>c</sup>                            | 2.7%       | 3.4%    | 5.1%    | 2.8%    | 3.6%    | 3.0%      | 2.6%       | 2.8%      | 4.6%      | 4.0%      | 0.5%      |
| Wage Settlements (February 2009)                   |            |         |         |         |         |           |            |           |           |           |           |
|                                                    |            |         |         |         |         |           |            |           |           | 5.9%      |           |
| <b>CPI Inflation</b>                               |            |         |         |         |         |           |            |           |           |           |           |
| February Annual                                    | 1.4%       | 0.9%    | 1.0%    | 0.4%    | 0.3%    | 0.8%      | 1.5%       | 1.7%      | 2.6%      | 2.1%      | 1.5%      |
| Excluding Shelter                                  | 0.7%       | -0.1%   | 1.3%    | 0.0%    | 0.1%    | 0.5%      | 0.6%       | 0.9%      | 0.6%      | 1.5%      | 1.5%      |
| <b>Housing Starts (000s)</b>                       |            |         |         |         |         |           |            |           |           |           |           |
| SAAR February 2009                                 | 134.6      | 2.8     | 0.6     | 4.6     | 3.6     | 38.2      | 47.3       | 4.1       | 4.0       | 13.1      | 16.3      |
| <b>Retail Sales</b>                                |            |         |         |         |         |           |            |           |           |           |           |
| Percent Change <sup>c</sup>                        | -4.5%      | -1.1%   | -0.5%   | -1.3%   | -0.8%   | -2.4%     | -5.4%      | -2.9%     | 0.3%      | -6.3%     | -6.9%     |
| 2008 Retail Sales Growth                           | 3.2%       | 7.8%    | 4.9%    | 4.5%    | 4.9%    | 4.9%      | 3.3%       | 7.1%      | 10.4%     | -0.2%     | 0.2%      |
| <b>Manufacturing Shipments</b>                     |            |         |         |         |         |           |            |           |           |           |           |
| Percent Change <sup>c</sup>                        | -17.5%     | -40.7%  | 17.0%   | -16.1%  | -25.2%  | -8.9%     | -23.4%     | -6.5%     | -6.2%     | -13.3%    | -18.4%    |

a. Over the past 12 months

b. February 2009 Y/Y change, unadjusted for seasonal effects

c. January 2009 Y/Y change, unadjusted for seasonal effects

SA-Seasonally Adjusted

Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada